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SUBJECT: KIMBERLEY PROCESS: GHANA AWAITS PROMISED TECHNICAL ASSISTANCE

Ref: A) 2006 State 176544; B) 2006 Accra 2954; C) 12/15/2006

Letter - Minister Land, Forestry, and Mines-Ambassador Bridgewater; D) 2006 STATE 3415; E) 2/23/2007 Letter - Deputy Minister of Finance-Ambassador Bridgewater; F) 7/3/2007 E-mail - Trimble-Embassy Accra; G) 7/11/07 E-mail Frumkin-Trimble.

11. (U) This is an action request. See para 7.

12. (SBU) SUMMARY: The GoG is eager to move forward with promised USG technical assistance (TA) to help Ghana improve its capacity to abide by its Kimberley Process (KP) commitments. With the passage of key events such as the KP Review Team visit to Ghana in March and the submission of Ghana's progress report to the KP on August 31, USG credibility regarding the TA and the opportunity to make a timely contribution to Ghana's capacity to meet its KP commitments are slipping away, but quick action could enable us to have a program in place by the November KP plenary. End Summary.

13. (U) In the wake of allegations that conflict diamonds from Cote d'Ivoire were being shipped through Ghana and in accordance with an Administrative Decision made during the KP Plenary in November 2006, the GoG has been making strong efforts to improve its internal controls related to compliance with the KP. Actions taken include introducing new licensing requirements and initial steps toward developing independent statistics on production.

14. (U) The USG was at the forefront in working with the GoG to address the shortcomings in its internal controls for KP compliance. We told the GoG we were willing to assist, if they made the request, in October 2006 (ref A). The GoG made a formal request for assistance in December (ref C) and a USGS expert discussed needs with the GoG in January 2007. After a lengthy delay, Post received a draft proposal in July 2007 (ref F), which focuses on improving Ghana's ability to determine current and potential diamond production and more precisely identify the geological characteristics of Ghanaian diamonds to which GoG responded favorably (ref G).

15. (U) In March 2007, a KP Review Team found that Ghana was making good-faith efforts and substantial progress and recommended that Ghana be allowed to continue to export rough diamonds under the KP scheme, provided it continued to move forward with necessary changes to improve KP compliance. The KP Review Team also asked Ghana to report on additional measures it was taking by August 31. The GoG had very much hoped to be able to include plans for the USG assistance in its report.

16. (U) Shortly after Post received the proposed scope of work for the TA by E-mail on July 3 (ref G), EconOff met with GoG representatives from the Ministry of Lands, Forestry and Mines, Precious Minerals and Marketing Company, and Ghana Geological Survey Department to discuss the proposal about the assistance offer. GoG feedback was very positive - they indicated they are ready to sign an agreement. Post passed Ghana's response (ref G) to the

Department, including the August 31 deadline. Ghana will be required to make a comprehensive report on the overall status of actions taken at the KP plenary in Brussels November 5-8.

17. (SBU) Action Request: Please advise Post of status of the TA proposal. The GoG is making good-faith efforts to improve its KP procedures and its ability to produce independent production statistics. The proposed USG assistance will not only be of substantive assistance but will demonstrate USG seriousness in assisting Ghana to improve governance in the sector and maintain its ability to export rough diamonds, a relatively small but important source of export earnings for Ghana. End Action Request.

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